

765—3.1(327I) Types of financial assistance. A number of financial assistance programs are available for projects.

3.1(1) Loans.

a. The authority may fund acquisition projects to a maximum of 80 percent with the loan maturity not exceeding 40 years.

b. The authority may fund other railway projects to a maximum of 90 percent with the loan maturity not exceeding 40 years.

c. The authority may make interest-bearing or interest-free loans.

d. The loan interest rates for money loaned from the sale of tax exempt bonds, including industrial revenue bonds issued by the authority, shall not be set in excess of the yield permitted by Section 103(c), Internal Revenue Code, as defined in Iowa Code subsection 422.3(5) and the treasury regulations promulgated thereunder.

3.1(2) Restrictions on an interest-free second loan. The board shall not approve an applicant's request for an interest-free second loan for a rehabilitation project in an amount greater than that repaid on the original loan. One-half of the amount of the interest-free second loan repaid to the authority shall be credited by the authority to the railroad assistance fund established in Iowa Code section 327H.18. The restrictions in this subrule do not apply to first loans or interest-bearing second loans.

3.1(3) Other financial assistance.

a. The board may approve a grant for a project.

b. The board may acquire an equity interest or enter into a limited partnership with an applicant.

c. The board may approve a loan or lease subsidy or a loan or lease guarantee. A loan or lease subsidy shall be in the form of a grant or loan to the applicant whereby the authority pays all or a portion of the payments due on a loan or lease extended to the applicant by another person. A loan or lease guarantee shall be in the form of a conditional grant or loan to an applicant whereby the authority guarantees all or a portion of the loan or lease payments due on a loan or lease extended to the applicant by another person.

d. The board may approve for a project any combination of types of financial assistance specified in this chapter of rules or in Iowa Code chapter 327I.

3.1(4) Equity participation by the applicant. Applicants for financial assistance for all acquisition projects shall contribute in the form of equity a minimum of 20 percent of the amount received from the authority.

This rule is intended to implement Iowa Code chapter 327I.